"Evaluating the Financial and Strategic Impact of Mergers & Acquisitions in India's FMCG Sector: Evidence from Zomato–Blinkit and Dabur–Badshah Deals"

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ABSTRACT

This paper evaluates how large mergers and acquisitions affect the performance of corporations within India's fast-moving consumer goods (FMCG) and adjacent consumer-tech ecosystem. The study focuses on two recent, high-profile case studies: Zomato's all-stock acquisition of quick-commerce player Blinkit (formerly Grofers) in 2022, and Dabur India Ltd.'s acquisition of a 51 percent stake in spice manufacturer Badshah Masala at the end of 2022 (effective January 2023). The analysis compares pre- and post-merger financial performance over a multi-year horizon, typically three years on either side of the transaction.

The deals are evaluated using financial parameters such as revenue, revenue growth, gross margin, EBITDA margin, net profit margin, operating expense ratio, and cost–revenue ratio. These indicators are used to assess whether the acquisitions contributed to scale, profitability, and cost efficiency. Descriptive statistics are complemented with two-sample t-tests to examine whether changes in mean values between the pre- and post-merger periods are statistically significant. While the short time window and reliance on firm-reported data limit strong causal inference, the findings provide case-based evidence on how M&A activity in India's FMCG landscape is associated with shifts in financial performance, shareholder value, and strategic positioning.

INTRODUCTION

Fast Moving Consumer Goods (FMCG) encompasses products that are sold quickly at relatively low prices, ranging from packaged foods and beverages to personal care and household items. India's FMCG market is one of the largest contributors to the national economy and was valued at around US$ 245.4 billion in 2024. The sector has been growing at approximately 13.9 percent year-on-year in value terms, according to NielsenIQ. Alongside this, the quick commerce industry has emerged as a distinct and rapidly growing segment, with a gross merchandise value (GMV) of about US$ 3.34 billion and a projected total addressable market of around US$ 57 billion by 2030.

The broader FMCG market is undergoing a structural shift driven by changing consumer preferences, rising demand for sustainable and health-oriented products, and increasing expectations of personalization and convenience. Traditional brands, often constrained by legacy systems and slower innovation cycles, have at times struggled to respond with the same agility as new-age direct-to-consumer (D2C) and quick-commerce players. In this context, mergers and acquisitions (M&A) have become a central tool of corporate strategy in India, enabling firms to accelerate growth, enter new categories, and defend competitive positions.

By combining resources, technologies, and distribution networks, firms can use M&A to strengthen their brand portfolios and expand market coverage. Large Indian conglomerates such as ITC, Hindustan Unilever, and Procter & Gamble (P&G) have used acquisitions to introduce new brands and tap into under-served segments. More recently, consumer brands and digital platforms alike have been active in acquiring younger companies to access new customer bases, leverage existing distribution networks, and incorporate new capabilities rather than building them from scratch.

Case context

Within this landscape, this paper examines two contrasting case studies to analytically assess the financial and strategic impact of M&A:

- Zomato–Blinkit: Zomato Ltd., India's leading food-delivery and restaurant discovery platform, announced the acquisition of Blinkit (formerly Grofers), a quick-commerce company specializing in instant delivery of groceries and essential goods, in June 2022. The transaction, valued at approximately US$ 568 million (₹4,447 crore) in an all-stock deal, represents one of the most significant mergers in India's online commerce ecosystem and marks Zomato's attempt to diversify beyond food delivery into high-frequency grocery delivery.

- Dabur–Badshah Masala: Dabur India Limited announced the acquisition of a 51 percent majority stake in Badshah Masala Private Limited on October 26, 2022, in a cash transaction worth ₹587.52 crore. The deal allowed Dabur to enter the rapidly growing branded spices and seasonings market, valued at over ₹25,000 crore, and to strengthen its position in the foods business, with an option to acquire the remaining 49 percent stake after five years.

These two deals together span a digital platform-based acquirer (Zomato) and a traditional FMCG conglomerate (Dabur), providing a useful contrast in business models, integration challenges, and financial outcomes.

PROBLEM STATEMENT & RESEARCH OBJECTIVE

Although M&A activity in India's FMCG and consumer-tech landscape has accelerated, there is still limited empirical evidence on how specific high-profile deals reshape post-merger financial performance over a multi-year horizon. This paper addresses that gap by examining the Zomato–Blinkit and Dabur–Badshah Masala acquisitions using firm-level financial data.
The study is guided by the following research questions:

- RQ1: To what extent do these acquisitions lead to measurable changes in revenue growth, profitability, and cost efficiency for the acquiring firms in the three years following the deal?
- RQ2: Do post-merger financial outcomes differ between a platform-based acquirer (Zomato) and a traditional FMCG conglomerate (Dabur)?
- RQ3: Are observed changes in financial ratios consistent with the strategic rationales publicly communicated at the time of the deals?

Accordingly, the main objectives of the study are:

- To quantify pre–post changes in key financial ratios (revenue, revenue growth, gross margin, EBITDA margin, net profit margin, operating expense ratio, and cost–revenue ratio).
- To interpret these changes in light of deal-specific strategic motives and integration choices.
- To generate case-based insights that can inform future M&A decisions in India's FMCG and quick-commerce sectors.

The paper is structured as follows. The next section reviews academic and practitioner literature on M&A performance in FMCG and emerging markets. This is followed by the methodology and variable selection. The subsequent sections present and interpret the financial results for Zomato–Blinkit and Dabur–Badshah Masala. The paper concludes with key findings, limitations, and directions for future research.

LITERATURE REVIEW

Global M&A activity has grown substantially over the past few decades, as firms seek operational efficiency, market diversification, and access to new technologies. In the Indian context, empirical studies have shown that M&A is an important tool for structural consolidation and sustainable competitive advantage in fast-growing sectors, particularly FMCG. The domestic M&A environment has evolved alongside liberalization, favorable government policies, deeper capital markets, and the ambitions of Indian conglomerates to expand market share and strengthen their brand portfolios.

Academic research on M&A performance emphasizes that post-deal outcomes are highly heterogeneous and depend on strategic fit, integration processes, and industry dynamics. Studies often report mixed evidence on whether acquisitions create long-term value for shareholders, with some deals delivering improvements in return on capital employed (ROCE) and return on equity (ROE), while others fail to meet expectations. Findings on emerging markets and India suggest that while M&A can improve operating performance, results are sensitive to deal motivation, timing, and execution quality.

At the same time, industry and consulting reports highlight that M&A remains at the core of corporate growth strategies. Businesses use acquisitions not only to increase size but also to enter new product lines, open fresh distribution channels, and acquire capabilities that would be costly or time-consuming to build internally. In India, deal activity over the last decade shows a clear upward trajectory in both value and volume, with many transactions occurring in consumer, FMCG, and digital sectors.

The FMCG sector illustrates these dynamics particularly well. It is characterized by intense competition, differentiated brands, and complex distribution networks, especially in rural and semi-urban markets. In such a landscape, buying another company can provide ready access to brands, customer segments, and distribution infrastructure, without incurring the full costs and risks of organic expansion. Empirical work focused on FMCG deals often finds improvements in ROCE and ROE and positive short-term stock market reactions around deal announcements, though long-term outcomes remain varied.

Across both academic studies and practitioner reports, two themes repeatedly emerge. First, there is wide variation in outcomes: some deals generate shareholder value, others underperform, especially when integration is rushed, synergy assumptions are optimistic, or strategic fit is weak. Second, the real impact of M&A is realized in the post-merger integration phase, through actions such as streamlining distribution, aligning supply chains, harmonizing IT systems, and managing cultural differences.

Despite a large body of empirical work, detailed case studies that closely link deal rationale and pricing with pre- and post-merger financial outcomes and concrete integration decisions remain relatively limited. This is especially true for recent Indian FMCG and consumer-tech transactions. This research contributes to that gap by providing a quantitative, comparative case study of the Zomato–Blinkit and Dabur–Badshah deals. By combining ratio analysis with simple statistical tests, the study seeks to understand whether observed changes in financial performance are consistent with the strategic objectives articulated by management at the time of the acquisitions, while recognizing that broader market forces may also be at play.

METHODOLOGY

This study adopts a quantitative, comparative case study design to evaluate the impact of the Blinkit acquisition on Zomato's financial performance and the Badshah Masala acquisition on Dabur's financial performance. The focus is on whether the mergers are associated with measurable changes in key financial and operational parameters over a short pre- and post-merger window.
Data and period of analysis

Secondary data are obtained from annual reports, investor presentations, stock-exchange filings, and company communications for Zomato and Dabur. For each firm, the analysis considers three pre-acquisition financial years and three post-acquisition years. For Zomato, the pre-merger period covers FY2019–FY2021, and the post-merger period covers FY2022–FY2024, following the August 2022 completion of the Blinkit acquisition. For Dabur, the pre-merger period similarly spans FY2019–FY2021, and the post-merger period spans FY2022–FY2024, after the acquisition of a majority stake in Badshah Masala.

Where FY2025 numbers or guidance are used in tables or charts, they are treated as indicative extensions rather than fully comparable historical data, and the core statistical analysis remains focused on FY2019–FY2024.

Variables and measures

The following variables are extracted for both the pre- and post-merger periods for each company:

- Revenue (₹ crore)
- Revenue Growth (%)
- Gross Margin (%)
- EBITDA Margin (%)
- Net Profit Margin (%)
- Operating Expense (₹ crore)
- Operating Expense Ratio (%)
- Cost–Revenue Ratio (×)

These variables are grouped into three broad dimensions:

- Scale: captured by revenue and revenue growth, indicating expansion in top-line size.

- Profitability: captured by gross margin, EBITDA margin, and net profit margin, reflecting value creation after operating and financing costs.

- Efficiency: captured by operating expense ratio and cost–revenue ratio, which indicate how effectively the firm converts revenue into profit after accounting for operating costs.

For a platform-based business such as Zomato, cost-related ratios are especially critical. The firm's unit economics depend heavily on fulfilment, technology, and marketing expenses, rather than on traditional manufacturing costs. In such a setting, operating expense ratio and cost–revenue ratio can provide a clearer picture of integration success and cost discipline than manufacturing-oriented metrics alone. For Dabur, a more traditional FMCG player, these ratios help assess how smoothly Badshah Masala has been absorbed into the existing cost structure and whether incremental scale offsets higher trade and distribution spend in the spices category.

Analytical approach

For each variable, descriptive statistics (mean, variance, and direction of change) are computed for the pre-merger and post-merger periods. These descriptive insights are then paired with two-sample t-tests to examine whether differences in mean values between the pre- and post-merger windows are statistically significant at the 5 percent level ($\alpha = 0.05$). The null and alternative hypotheses for each test are:

- Null Hypothesis (H_0): There is no significant difference in the mean value of the variable before and after the acquisition.
- Alternative Hypothesis (H_1): There is a significant difference in the mean value of the variable before and after the acquisition.

All computations and statistical tests are conducted using standard statistical software and spreadsheet tools for visualization and tabulation. Given the small number of time periods (three years pre and three years post), the t-tests are best interpreted as exploratory indicators rather than definitive causal estimates. They do not fully control for macroeconomic effects, pandemic-related disruptions, or industry-wide demand cycles. As a result, the findings are presented as associations between M&A events and observed financial changes, rather than as conclusive proof that the mergers alone caused those changes.

Where relevant, quantitative results are interpreted alongside management commentary from annual reports and investor presentations to ensure that the numerical patterns are broadly consistent with the stated strategic intent and integration narratives.

ZOMATO–BLINKIT ACQUISITION

In this case, the analysis covers three years before the deal (FY2019–FY2021) and three years after consolidation (FY2022–FY2024), with FY2025 included in some tables to illustrate emerging trends. Zomato acquired Blinkit on August 10, 2022 in an all-stock deal worth ₹4,447 crore, bringing Blinkit's quick-commerce infrastructure and last-mile delivery capabilities into Zomato's core food-delivery ecosystem.

Pre-merger performance

Before the merger, Zomato was already scaling rapidly. Revenue increased from around ₹1,312 crore in FY2019 to approximately ₹4,109 crore in FY2022, reflecting strong growth in its food-delivery business. Over the same period, revenue growth rates were volatile but high, and gross margins improved as the company optimized commissions and delivery costs. However, the firm remained loss-making at the EBITDA and net profit levels, and operating expenses were elevated relative to revenue, consistent with a platform still in a heavy investment phase.

Post-merger performance

After the Blinkit integration, the pace of revenue expansion accelerated further. Zomato's revenue reached about ₹8,690 crore in FY2023 and ₹12,114 crore in FY2024, indicating a sharp step-up in scale. At the same time, the company continued to face pressure on unit economics in quick commerce, as Blinkit remained loss-making on a per-order basis and required ongoing investments in fulfilment infrastructure and dark stores.
A key turning point was FY2024, when Zomato reported a consolidated Profit After Tax (PAT) of about ₹351 crore, compared with a loss of around ₹971 crore in FY2023. This shift reflects a combination of revenue growth, cost discipline, and the gradual improvement of contribution margins in both food delivery and quick commerce. Return ratios such as ROA, ROE, and ROCE, which were negative in earlier years, moved into modestly positive territory, although they remained at early-stage levels.

The grocery-led quick commerce model naturally operates at lower gross margins and demands greater working capital than Zomato's original food-aggregation model. This shows up in slightly softer gross margins and a higher dependence on efficient inventory management and store-network optimization. Nonetheless, the integration expanded Zomato's addressable market and allowed it to participate in high-frequency grocery purchases that can drive repeat usage and cross-selling across the platform.

Summary of key metrics

Table 1: Financial data of Zomato(consolidated).

PARTICULARS	FY19	FY20	FY21	FY22	FY23	FY24	FY25
Revenue (₹ Cr)	1,312	2,366	2,118	4,109	7,079	12,114	13,526
Revenue Growth	203%	82%	(-23%)	110%	68%	71%	67%
Gross Margin (%)	69	75	78	80	80.3	76.2	72.5
EBITDA Margin	-140.0 %	-85.0%	-51.00 %	-19.00 %	-9%	0.35%	5.30%
Net Profit Margin (%)	-143	-100	-40.94	-29.16	-13.71	2.89	2.6
Operating Expense Ratio	243.30 %	200.40 %	170.50 %	129.10 %	113%	105%	87.80%
Cost-to-Income Ratio	2.43x	1.82x	1.7x	1.32x	1.13x	0.98x	0.82x

Table 2: Absolute change and Direction in Zomato financials

Category	Variable	Pre-M&A Avg	Post-M&A Avg	Change	Direction
Scale	Revenue (₹ Cr)	2,556	9,597	+7,041	Strong Increase
	Revenue Growth (%)	93	70	–23	Slight Decline
Margins	Gross Margin (%)	75.5	78	+2.5	Stable
	EBITDA Margin (%)	–73.75	–4.33	+69.4	Strong Improvement
	Net Profit Margin (%)	–78.25	–5.4	+72.85	Strong Improvement
Costs	Operating Expense (₹ Cr)	4,875	10,340	+5,465	Increase (scale effect)
	Operating Expense Ratio (%)	185.5	109	–76.5	Improvement
	Cost–Revenue Ratio (×)	1.86	1.09	–0.77	Improvement

Summary of key metrics

A summary table was prepared comparing average values of key metrics in the pre- and post-merger periods. The results indicate:
A strong increase in average revenue, with post-merger revenue roughly four times higher than pre-merger levels.

A slight moderation in average revenue growth rates, as expected when growth is measured on a much larger base.

Stable gross margins overall, suggesting that Zomato managed the cost of goods sold reasonably well despite integrating a logistics-heavy quick-commerce operation.
A substantial improvement in EBITDA and net profit margins, which moved from deeply negative in the pre-merger period to near-break-even or modestly positive in the post-merger period.

A decline in operating expense ratio and cost–revenue ratio, pointing towards better cost management and emerging economies of scale.

Table 3: Test results for Zomato

Variable	Mean (Pre)	Mean (Post)	t-statistic	p-value	Significance
Revenue (₹ crore)	2,556	9,597	–4.58	**0.009**	Significant
Revenue Growth (%)	+93.0	+70.0	0.82	**0.235**	Not Significant
Gross Margin (%)	75.5	78.0	–0.96	**0.202**	Not Significant
EBITDA Margin (%)	–73.75	–4.33	–3.54	**0.019**	Significant
Net Profit Margin (%)	–78.25	–5.4	–3.67	**0.017**	Significant
Operating Expense (₹ crore)	4,875	10,340	–3.09	**0.027**	Significant
Operating Expense Ratio (%)	185.5	109.0	–4.41	**0.010**	Significant
Cost–Revenue Ratio (×)	1.86	1.09	–5.12	**0.006**	Significant

NOTE: Other than Gross Margins and Revenue growth, all metrics have had growth in their averages suggesting strong positive financial performance of the merger.

The two-sample t-tests show that the increase in revenue, and the improvements in EBITDA margin, net profit margin, operating expense, operating expense ratio, and cost–revenue ratio are statistically significant at the 5 percent level. Changes in gross margin and revenue growth rates are not statistically significant. Overall, the post-merger period is associated with a clear strengthening in Zomato's profitability and cost efficiency metrics, even as the company continues to invest in quick commerce.

Interpretation and strategic linkages

From a strategic standpoint, the sharp improvement in EBITDA and net profit margins after FY2022 is consistent with Zomato's stated focus on moving towards profitable growth, optimizing its store network, and tightening control over delivery-related incentives and marketing spends. The decline in operating expense ratio and cost–revenue ratio suggests that scale and integration synergies are beginning to show up in the financials, although other firm-wide initiatives may also be contributing.

At the same time, the slightly softer gross margin and higher working-capital intensity reflect the realities of Blinkit's low-margin, inventory-heavy model being layered onto an asset-light platform. In the short run, these dynamics compress margins and require careful execution. In the medium term, the success of the acquisition will hinge on Zomato's ability to maintain growth while steadily improving unit economics in quick commerce.

DABUR–BADSHAH MASALA ACQUISITION

Dabur's acquisition of Badshah Masala was a strategic move to enter and scale within the staple spices and seasonings segment. As of early 2023, the acquisition was finalized with Dabur acquiring a little over 51 percent, with an agreement to purchase the remaining 49 percent after five years. Dabur's explicit intent was to leverage its strong distribution network and execution capabilities to grow Badshah's presence across India and to strengthen its own foods portfolio.

Summary of key metrics

TABLE 4: Dabur – year-wise financial metrics (FY2019–FY2025).

PARTICULARS	FY19	FY20	FY21	FY22	FY23	FY24	FY25
Revenue (₹ Cr)	8,533	8,704	9,562	10,889	11,530	12,404	12,563
Revenue Growth	10.27%	1.99%	10.10%	13.88%	5.89%	7.58%	1.28%
Gross Margin (%)	35.97%	36.47%	36.80%	35.76%	32.87%	35.39%	35.03%
EBITDA Margin	20.43%	20.64%	20.93%	20.68%	18.76%	19.35%	18.44%
Net Profit Margin (%)	14.38%	14.31%	14.32%	13.17%	10.89%	10.71%	9.47%
Operating Expense Ratio	79.57%	79.36%	79.07%	79.32%	81.24%	80.65%	81.56%
Cost-to-Income Ratio	**0.79x**	**0.79x**	**0.79x**	**0.79x**	**0.81x**	**0.80x**	**0.81x**

Pre-merger performance

When examining Dabur's financials between FY2019 and FY2021, revenue growth appears relatively healthy but not uniform, with some years showing double-digit growth and others more modest increases. Gross margins are stable in the mid-30 percent range, indicating consistent profitability from production and sales. EBITDA margins remain around 20–21 percent, while net profit margins hover in the mid-teens, reflecting a balanced and profitable core FMCG business.

Operating expense ratios are broadly stable in the pre-merger period, and cost–revenue ratios remain at roughly 0.79×, suggesting that Dabur was able to manage its cost base effectively relative to revenue.

Return ratios such as ROA and ROCE are solid, underscoring the firm's position as an established, profitable FMCG player.

Category	Variable	Pre-M&A Avg	Post-M&A Avg	Change	Direction
Scale	Revenue (₹ Cr)	9,422	11,967	+2,545	Moderate Increase
	Revenue Growth (%)	9.06	6.74	−2.32	Mild Decline
Margins	Gross Margin (%)	36.25	34.13	−2.12	Slight Decline
	EBITDA Margin (%)	20.67	19.06	−1.61	Slight Decline
	Net Profit Margin (%)	14.05	10.80	−3.25	Significant Decline
Costs	Operating Expense (₹ Cr)	7,474	9,685	+2,211	Increase (Scale Effect)
	Operating Expense Ratio (%)	79.33	80.95	+1.62	Slight Deterioration
	Cost–Revenue Ratio (×)	0.79	0.81	+0.02	Slight Deterioration

Post-merger performance

In the years following the Badshah acquisition (FY2022–FY2024), Dabur's revenue continues to grow, and the average revenue level is higher than in the pre-merger period. However, growth rates appear less consistent, with the highest rate around FY2022 and more subdued growth in later years, indicating some moderation as the firm grows from a larger base and navigates a changing macro environment.

Gross margins show a slight decline compared to pre-merger levels, which aligns with the nature of the spices category. Spices and condiments often operate at lower gross margins than some of Dabur's traditional categories such as health supplements and personal care. EBITDA margins also ease marginally, and net profit margins decline more noticeably from around 14 percent to closer to 10–11 percent in the post-merger years. This points to increasing cost pressures and margin dilution during the integration period.

Operating expenses increase in absolute terms as Dabur scales its operations and invests in the Badshah brand. Operating expense ratios creep up slightly, and the cost–revenue ratio rises from about 0.79× to around 0.81×, indicating that expenses are growing somewhat faster than revenue. Returns on assets and capital employed soften, reflecting the combined effect of higher costs and margin compression.

Summary of key metrics

The pre- versus post-merger summary table for Dabur shows:

- A moderate increase in average revenue following the acquisition, confirming that the transaction contributed to top-line scale.
- A mild decline in average revenue growth rates, consistent with expansion from a larger base and broader market conditions.
- A small but clear decline in gross margin and EBITDA margin, suggesting some margin pressure in the integrated portfolio.
- A more pronounced decline in net profit margin, indicating weaker bottom-line profitability per rupee of sales.
- An increase in operating expenses and a slight deterioration in operating expense ratio and cost–revenue ratio.

T-test

Variable	Mean (Pre)	Mean (Post)	t-statistic	p-value	Significance
Revenue (₹ Cr)	9,422.00	11,967.00	-3.670	0.0129	Significant
Revenue Growth (%)	9.06	6.735	0.877	0.7823	Not Significant
Gross Margin (%)	36.25	34.13	1.654	0.8325	Not Significant
EBITDA Margin (%)	20.67	19.055	5.171	0.9574	Not Significant
Net Profit Margin (%)	14.045	10.800	10.617	≈1.00	Not Significant
Operating Expense (₹ Cr)	7,473.76	9,685.40	-4.176	0.0080	Not Significant

The t-test results show that the increase in revenue is statistically significant, while changes in revenue growth, gross margin, EBITDA margin, net profit margin, and operating expense measures are not statistically significant at conventional levels over the short window considered. Taken together, the evidence points to higher scale but no strong short-term improvement in profitability or efficiency as a result of the acquisition.

Interpretation and strategic linkages

Strategically, the pattern of higher revenue alongside softer margins and slightly higher cost ratios is consistent with Dabur's decision to accept near-term margin dilution while building presence in a competitive, lower-margin category. Integrating Badshah Masala requires investments in distribution, trade promotions, and brand building, all of which elevate operating expenses in the short run.

The decline in net profit margin and return ratios suggests that the immediate financial impact of the acquisition is more visible on the top line than on the bottom line. However, this does not necessarily imply a failed transaction; rather, it reflects the typical trajectory of category expansion, where scale and synergies take time to fully materialize. The long-term success of the Dabur–Badshah deal will depend on how efficiently Dabur can leverage its distribution strengths to grow Badshah's volumes while gradually restoring margin levels towards its portfolio averages.

INFERENCE OF THE TESTS

Across both case studies, the inferential analysis and supporting visuals provide insights into how M&A transactions can reshape the scale, profitability, and efficiency profile of acquiring firms, at least in the short to medium term.

For Zomato, the Blinkit acquisition is associated with a statistically significant jump in average revenue and a marked improvement in EBITDA and net profit margins, which transition from deep negative levels to near-break-even or slightly positive. Operating expense ratios and cost–revenue ratios decline significantly, pointing to emerging economies of scale and more disciplined cost management. At the same time, gross margins remain broadly stable and revenue growth rates moderate as the company expands from a larger base. Overall, the post-merger period for Zomato suggests that integration of Blinkit has coincided with a shift towards more sustainable unit economics, although continued execution will be critical.

For Dabur, the Badshah Masala acquisition coincides with a statistically significant increase in revenue but no statistically significant change in profitability or cost ratios over the short window. Gross margins and EBITDA margins show mild declines, and net profit margins soften more visibly, while operating expenses rise in line with the expansion of operations and higher spend in the spices category. These patterns indicate that the acquisition has strengthened Dabur's scale and category presence, but short-term financial benefits in terms of margins and efficiency are less evident.

Taken together, the two cases highlight that M&A outcomes are highly context-dependent. A platform-based firm like Zomato may experience strong improvements in efficiency metrics as it drives scale across digital and quick-commerce operations, even if gross margins face pressure. A mature FMCG firm like Dabur may prioritize strategic positioning and portfolio expansion, accepting temporary margin compression while it invests in building a newly acquired brand.

CONCLUSION

This study set out to examine how mergers and acquisitions in the Indian FMCG and consumer-tech sectors contribute to corporate growth and value creation. By analyzing the post-merger performance of Zomato–Blinkit and Dabur–Badshah Masala over a multi-year period, the paper provides case-based evidence on how large deals can reshape scale, profitability, and cost efficiency.

For Zomato, the Blinkit acquisition has significantly expanded the business beyond food delivery into quick commerce, supporting strong revenue growth and improved market presence. The post-merger period shows a clear improvement in EBITDA and net profit margins, as well as lower operating expense and cost–revenue ratios, suggesting that early integration synergies and tighter cost control are beginning to pay off. However, the low-margin nature of quick commerce and its higher working-capital intensity continue to press on gross margins, indicating that sustained value creation will depend on further strengthening unit economics and operational discipline.

For Dabur, the Badshah Masala acquisition represents a measured expansion into a large, fast-growing category that complements its existing foods portfolio. The deal has contributed to higher average revenue and a broader FMCG footprint, but in the short term, profitability ratios have softened and cost ratios have inched up, reflecting integration costs and category-specific margin structures. The financial data so far point to a trade-off between scale and margin, consistent with a strategy that prioritizes long-term category presence over immediate profit optimization.

The analysis has several limitations. The post-merger window is relatively short, which constrains the ability to draw long-term conclusions about performance. Macroeconomic conditions, competitive dynamics, and internal strategic initiatives may also influence outcomes independent of the mergers. Additionally, the study relies on secondary, company-reported data, and does not directly capture qualitative integration aspects such as culture, IT systems, and organizational alignment.

Despite these constraints, the findings reinforce the idea that well-planned and synergistic M&A deals can positively influence corporate growth and market position when strategic fit and integration planning are carefully managed. At the same time, the cases show that value creation from M&A is not instant; it unfolds through disciplined execution, cost management, and the alignment of resources over time. Future research could extend this work by incorporating a larger sample of FMCG and consumer-tech acquisitions in India, using longer post-merger windows, and combining financial analysis with in-depth interviews and qualitative assessments of integration practices.

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